

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE APPLICATION OF ROY PEACH AND)
ELOISE PEACH FOR A CERTIFICATE OF)
PUBLIC CONVENIENCE AND NECESSITY)
TO CONSTRUCT A SEWAGE TREATMENT) CASE NO. 9032
PLANT AND RELATED FACILITIES IN)
THE CEDAR RUN CREEK SUBDIVISION,)
FRANKLIN COUNTY, KENTUCKY)

O R D E R

The Commission has reviewed the application and exhibits in this matter, and finds that additional information will be necessary to consider the requested Certificate of Public Convenience and Necessity.

IT IS THEREFORE ORDERED that Roy Peach and Eloise Peach shall file an original and eight copies of the following information with this Commission by May 7, 1984. If neither the requested information nor a motion for an extension of time is filed by the stated date, the case may be dismissed.

1. Provide a statement reflecting the projected annual revenues that will be realized and the projected annual expenses that will be incurred as a result of the operation of the sewage treatment system. In addition, provide all supporting documentation, including studies performed, calculations of projected costs, and any other information relied upon to estimate the annual operating costs of the utility.

2. Provide a breakdown of the total estimated costs associated with the construction of the sewage treatment plant, according to the utility plant account classifications established by the Uniform System of Accounts for Class C and D Sewer Utilities. For each component of utility plant included in the breakdown, provide the following:

- a. Estimated cost.
- b. Estimated useful life.
- c. Estimated annual depreciation expense.

3. According to Item No. 8 of the application, the proposed construction will be financed through a loan from the Farmer's Bank and Capital Trust Company of Frankfort, Kentucky. With regard to this loan, provide the following information:

- a. Principal amount of loan.
- b. Annual rate of interest.
- c. Number of years until maturity.
- d. A schedule reflecting the amortization of the annual principal and interest payments.
- e. A copy of the promissory note.

Also, if any additional funds are to be utilized in the construction of the system, provide a breakdown indicating the source(s), as well as the amount(s), of such funds.

4. What person or persons will be responsible for the daily operation and maintenance of the system?

5. What is the proposed completion date of the sewage treatment system?

6. Provide an estimation of the total number of customers that will be served during the first year of operation subsequent to the completion of the system, as well as the additional number of customers to be added annually until full capacity is achieved.

7. Provide complete details regarding the source of funds that would be used to cover any operating deficit that may result from an excess of operating costs over operating revenues prior to the system achieving full capacity.

8. According to Item No. 3 of the application, the Cedar Run Creek Subdivision will be composed of 91 lots. Provide details as to the possibility of any future expansion of the subdivision beyond this number of lots.

9. According to Item No. 9 of the application it is estimated that the cost of operating the system subsequent to completion will require a monthly charge of \$12 per customer. Provide complete details (including supporting computations) regarding the basis upon which the annual revenue requirements were determined in the calculation of this rate.

Done at Frankfort, Kentucky, this 24th day of April, 1984.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:

Secretary